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C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 000466

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SUBJECT: OPPOSITION ASSEMBLY CAUCUS LEADERS SEEK TRAINING

Classified By: Charge d, Affaires a.i. Peter M. Brennan. Reasons 1.4 (B, D).

¶1. (C) Summary: National Assembly caucus leaders representing the Nicaraguan Liberal Alliance (ALN), Liberal Constitutional Party (PLC), and the Sandinista Renovation Movement (MRS) recently met with the Ambassador and sought more U.S. training assistance, especially for freshmen lawmakers and consultants handling legal matters and thematic issues. Convinced that the legislature offers the best wall to contain President Ortega's efforts to consolidate power and sideline Nicaragua's established democratic institutions, they are considering legislation that would remove the Executive's authority to establish national councils. Assembly opposition to Ortega's exceeding his authority may be producing some positive effects as on February 18, the Presidency announced that the national councils and their staff will not be funded through the national budget. However, the following day, Ortega circumvented the problem by reappointing Paul Oquist -- the former director of the National Policy Council and a long-time UNDP official -- as his ministerial-ranking private secretary for National Policy. End Summary.

Legislature the Front Line against Ortega Excesses

¶2. (C) Victor Hugo Tinoco, Maria Eugenia Sequeira, and Maximino Rodriguez, leaders of the National Assembly's MRS, ALN, and PLC caucuses, respectively, met on February 16 with the Ambassador, DCM, polcouns, and USAID election advisor to discuss their perceptions of the Ortega government, legislative priorities, and possible USG assistance. The lawmakers asserted that the National Assembly offers the best containment wall against President Ortega's efforts to consolidate power and sideline Nicaragua's established democratic institutions. Alarmed over President Ortega's disregard for the restrictions the Assembly placed on the President's newly established national councils -- including stipulating that the councils can neither exercise authority over the ministries nor receive any share of the national budget -- the lawmakers may propose to eliminate the President's authority to establish national councils.

Sandinista Visionaries, Intellectuals Abandoned Ortega

¶3. (C) Tinoco, a former FSLN militant familiar with the Sandinista leadership, criticized President Ortega's choice of ministers, terming them FSLN "nobodies" selected for their blind loyalty, not capabilities. Tinoco, an FSLN insider for

many years, said he had never even heard of many of the new ministers. All of the party's visionaries and intellectuals have abandoned Ortega, claimed Tinoco. Ortega is stuck in the past, a retro-revolutionary incapable of thinking democratically -- more bent on consolidating his power than resolving Nicaragua's social problems. However, Ortega is also confined by Nicaragua's need for the IMF and donors like the United States. At this juncture, all Ortega has left is his revolutionary symbolism; hence his decision to alter the national seal and to invite the anti-U.S. Iranian leader to launch a tirade against imperialism on Nicaraguan soil, opined Tinoco.

¶4. (C) Rodriguez, who was cautious in his assessment of Ortega, noted that Ortega has yet to define himself, even though the President appears not to have learned much from Nicaragua's 16 years of democracy. This time around, Ortega is adrift, confronted with the difficult dilemma of placating Venezuelan President Hugo Chavez, while remaining within the boundaries of the IMF. Agreeing with Tinoco's assessment that Ortega's ministers are essentially place holders with virtually no authority or influence, Sequeira recounted that during the Finance Minister's recent appearance before the Assembly, he had "parroted" the Sandinista party line. It was clear that the Minister was unauthorized to answer any questions outside of those in his marching orders, she said.

#### Using the Budget and Court Appointments to Contain Ortega

¶5. (C) Sequeira remarked that the National Assembly's control over the national budget offers the best "containment wall" against Ortega. She added that the opposition lawmakers will develop a clearer picture of the Nicaraguan government's (GON) true intentions once it receives Ortega's proposed budget. Rodriguez and Tinoco nodded, concurring with Sequeira that how the opposition members of the Assembly deal with the proposed budget will be determinant in setting the direction of the country. Regarding the National Assembly's pending appointment of three Supreme Court Justices, the Prosecutor General and Deputy, as well as 16 other judges, Sequeira remarked that her caucus will support qualified, independent candidates, not the usual party hacks. Tinoco professed the same, while Rodriguez was more circumspect. (Note: On February 20, the Assembly appointed two special commissions to review candidates for the Supreme Court and for the Prosecutor General and Deputy.)

#### Opposition Leery of Venezuelan and Iranian Accords

¶6. (C) The caucus leaders reported that copies of the Venezuelan and Iranian agreements that the GON recently signed had finally arrived in the National Assembly after weeks of opposition pressure to review the accords. All three lawmakers shared that they had not seen the documents, and were only familiar with them through media coverage. Noting that according to press reports the Iranian agreement entails mutual support in international fora regarding issues of global concern, the DCM shared our concern that Iran could try to draw in Nicaragua into supporting its nuclear ambitions in violation of the United Nations, the United States, and the EU. Disconcerted by our observations, Rodriguez explained that the Assembly's role is to approve or reject each document, but it is not authorized to make any changes. (Note: Also on February 20, the Assembly appointed a special commission to review these accords.)

#### Chavez Will Stop Once He Runs out of Gas

¶7. (C) Rodriguez, who opined that Chavez is neither as bright nor as capable as Cuban dictator Fidel Castro, attributed Chavez' success to his country's vast oil wealth. "Chavez is like a car. He will lose power once he runs out of gas," ventured Rodriguez. Sequeira, who quipped that Chavez could last for sometime, asserted that she has not

seen one sign that Ortega is democratic, but plenty of indications that he is following in the footsteps of Chavez.

#### Ortega "Lost It" Over MANPADS

18. (C) Responding to the Ambassador's query regarding the Assembly's recent renewed interest in MANPADS and President Ortega's remarks on the subject, Sequeira clarified that the Assembly had invited General Halleslevens to explain the military's MANPADS position in order to inform new legislators of the matter, not/not to put him on the spot or to press a vote. However, President Ortega had overreacted to media coverage of the Hondurans' purchase of small counter-narcotics planes, causing the issue to spin out of control, explained the ALN lawmaker. The Ambassador clarified that our assistance to the Nicaraguan military is quite substantial -- approximately \$17 million for 2006-2007 -- and that, while the Hondurans preferred to purchase planes to combat narco-trafficking with our funds, the Nicaraguans had purchased boats and communications equipment. Sequeira suggested that CHDS advisor Richard Downie's May defense workshop will provide the opportunity for Nicaraguans to develop a modern defense strategy that will enable Nicaragua to modernize and streamline its defense and make better use of U.S. military assistance.

#### Caucus Leaders Seek Capacity Building, Thematic Experts

19. (C) Sequeira, who recently participated in an IRI-USAID-sponsored program for legislators and a trip to Mexico to meet with her Mexican counterparts, lauded these programs and sought more of them, especially for new lawmakers. Rodriguez suggested that we also provide training to the Assembly's legal advisors and thematic experts, as many current advisors are out of touch with new developments and are ill prepared to provide the kind of expertise lawmakers require to draft sound legislation. Tinoco mentioned the need to inculcate in lawmakers and staff a sense of public service to offset the traditional rent-seeking mentality of many Assembly deputies. All three deputies supported the idea of joint training sessions for the three opposition parties, as well as separate sessions for each party to develop individual capacity.

#### Comment

10. (C) Through USAID, we will arrange follow up meetings for the caucus leaders with NDI and IRI. National Assembly opposition to Ortega's exceeding his authority may be producing some positive effects. On February 18, the Presidency announced that the national councils and their staff, including their coordinators, will not be funded through the national budget. However, the following day, Ortega circumvented the problem by reappointing Paul Oquist -- the former director of the National Policy Council and a long-time UNDP official -- as his ministerial-ranking private secretary for National Policy, with the equivalent salary to

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